



MINUTES
Committee of the Whole
Monday, January 14, 2019 @ 5:00 p.m.
City Council Chambers

CALL TO ORDER

Council Member Wood called the meeting called to order at 5:00 p.m.

PRESENT

Councilmember Kathie Dunbar – arrived at 5:15 p.m.
Councilmember Jeremy A. Garza
Councilmember Adam Hussain
Council Member Brian T. Jackson
Councilmember Peter Spadafore
Councilmember Patricia Spitzley
Councilmember Jody Washington
Councilmember Carol Wood

OTHERS PRESENT

Sherrie Boak, Council Staff
Samantha Harkins, Mayor Executive Assistant
Jim Smiertka, City Attorney
Lisa Hagen, Assistant City Attorney
Greg Venker, Assistant City Attorney
Loretta Stanaway
Harold Leeman, Jr.
Mary Reynolds
Kathy Miles
Stephen Young
Kris Klein, LEAP
Angie Bennett, Finance Director – arrived at 5:20 p.m.

Approval of Minutes

MOTION BY COUNCILMEMBER SPADAFORE TO APPROVE THE MINUTES OF JANUARY 7, 2019 AS PRESENTED. MOTION CARRIED 7-0.

Public Comment on Agenda Items

Ms. Miles spoke in support of the sale of 6025 Curry Lane to CASL.

DISCUSSION/ACTION

RESOLUTION - Reappointments:

Cassie Alley; Elected Officers Compensation Commission; Term to Expire Oct. 1, 2024

Christine M. Zarkovich; Downtown Lansing Inc. Board; Term to Expire June 30, 2022

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE REAPPOINTMENTS OF CASSIE ALLEY AND CHRISTINE ZARKOVICH. MOTION CARRIED 7-0.

PLACE ON FILE- Amendments to the Rules of Procedures for the Lansing Park Board

Council President Wood stated that the only change was the time of the meetings to 6:30 p.m. There were no additional questions.

MOTION BY COUNCIL MEMBER SPADAFORE TO PLACE THE PARK BOARD RULE AMENDMENTS ON FILE. MOTION CARRIED 7-0.

RESOLUTION - Appointment; Stephen Young; Member of Elected Officers Compensation Commission; Term to Expire June 30, 2023

Mr. Young acknowledged the Council, provided a brief history of his residency in Lansing and his current job as the principal at government consulting services. Mr. Young lastly stated to the Committee that his desire to serve on a board was to give back to his community.

There were no questions from Committee and it was confirmed Mr. Young was vetted by the Mayor's office.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE APPOINTMENT OF STEPHEN YOUNG TO THE ELECTED OFFICERS COMPENSATION COMMISSION. MOTION CARRIED 7-0.

RESOLUTION - Amend List of Outside Counsel to Include Harvey Kruse, PC

Mr. Smiertka informed the Committee was a request from the City third party for issues the carrier wants permission for this attorney to address.

MOTION BY COUNCIL MEMBER WASHINGTON TO APPROVE THE RESOLUTION TO AMEND THE OUTSIDE COUNSEL LIST TO INCLUDE HAREY KRUSE, PC. MOTION CARRIED 7-0.

RESOLUTION – Consideration of Sale of Property; Miller Road Center (6025 Curry Lane) to Capital Area Soccer League (CASL)

Ms. Hagen confirmed that all steps had been taken for the sale of the property from the City to CASL at the Miller Road Center. The closing will be scheduled once Council approves the sale. The sale price itself, she clarified, is that there is a land contract for \$25,000 down, \$10,000 per year for ten (10) years.

Council Member Jackson asked if there were any updates on the new location of the Peppermint Creek Theatre. Ms. Harkins acknowledged they had met with the theatre representatives before the New Year, and those representatives have been in conversations with SWOC and the City TV space for possible use. Council Member Jackson asked if the City had any considerations for a new theater in Lansing to accommodate them. Ms. Harkins admitted there were a lot of ideas for a Performing Arts Center, but they were not close to any decision. Council Member Spitzley mentioned for the record that the net proceeds will to the improvements within the Parks and Recreation Department. Council Member Hussain added

that the sale price was the closest to the appraised value. Council President Wood recapped to Council Member Jackson that CASL has worked with Peppermint Creek so they can stay in the location through their current performance season.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE CONSIDERATION OF THE SALE OF PROPERTY AT 6025 CURRY LANE, MILLER ROAD CENTER TO CAPITAL AREA SOCCER LEAGUE (CASL). MOTION CARRIED 8-0.

RESOLUTION – Brownfield Assessment Grant Application

Mr. Klein first pointed out that the application was sent to COW due to the timing, and even though LEAP has a Coalition of communities (Lansing, East Lansing, Clinton County, Ingham County and Eaton County), they are approaching the City of Lansing at this time on this application as the point to show different funding entities so there would be a higher chance of consideration on the application. There is a higher consideration for those that have not been awarded in the past, and therefore the coalition wants to have a different entity apply. Council Member Spadafore asked for details on what the grant would be used for. Mr. Klein noted it would first help with any assessment on existing Brownfields, which could be any property they hope to redevelop, and look to see if there are any clean-up activities. This would include any environmental assessments, due care plans and could allow for a plan. Council Member Spadafore then asked where the assessment would be paid out of, and Mr. Klein clarified it would be refunded if it is deemed a Brownfield site. Council Member Spitzley spoke in support of the opportunity to attract companies into urban areas. Council President Wood asked if there were any match funds, at which Mr. Klein verified there was no match; the applicants are required to put forth a match.

MOTION BY COUNCIL MEMBER SPITZLEY TO APPROVE THE RESOLUTION FOR THE BROWNFIELD ASSESSMENT GRANT APPLICATION. MOTION CARRIED 8-0.

RESOLUTION – Deficit Elimination Plan; Special Assessment Capital Project Fund

Ms. Bennett first began by stating the Committee will receive the annual report from the auditors on February 4, 2019, but this is one of various funds that they have to annually pass a plan for. They have chosen to use this plan because they are more cost effective, but because of that the City has to file this annually. When it is filed with the State they will get the resolution and the attached schedules. Council President Wood asked for verification that these are plans that are worked out with the property owners, and Ms. Bennett confirmed.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION FOR THE DEFICIT ELIMINATION PLAN; SPECIAL ASSESSMENT CAPITAL PROJECT FUND. MOTION CARRIED 8-0.

RESOLUTION – Acceptance of the Deed to the Townsend Parking Ramp from the Lansing Building Authority

Mr. Smiertka outlined the process and timing needed for the sale of the Townsend Parking Ramp. He then explained that in 1996 with the stadium build, there was a there was a tax increment plan and the State was going to stop the opportunity to collect State Education Taxes for projects. At that time the City started the process of the Lansing Building Authority and they in turn owned the ramps. Any bonds for the ramps were issued with the Lansing Building Authority. This Authority consists of the Public Service Director, the City Attorney and the City Treasurer. In 2000 there were changes to the structure and refunding of bonds and so the lease now is between the City and TIFA. There was a TIFA plan and funds through the system for the leases to run the parking system to the extent of no tax increment dollars coming in for the bonds. The lease states that if any properties are removed from the tax plan, they have to be replaced by properties equal or of greater value. In conclusion, he stated there

are two ramps being substituted and after that and the property can be sold. The lease will be amended to reflect that the funds will be used to defease the bonds and payments until the call date. The Bond Counsel's opinion to the effect is that the property can be deeded to the City, therefore the Building Authority at this time is quit claim deeding it to the City. Mr. Smiertka then clarified that the other items that need to be done include the ACT 33 which goes before the Planning Board 1/15/2019 and should be to Council 1/28/2019 the same night as the hearing. The City hopes to close on February 15, 2019, therefore Council will need to take action on all items no later than the February 11, 2019 meeting. It was clarified that in addition to the sale, the State Senate has a condition in the agreement that they will pay \$1 million even if there is no closing, and they will pay the outstanding funds for parking fees. There is a second agreement in addition to the buy/sell agreement and this is the parking agreement. This will allow for 228 parking spaces to be continued to be used by City employees. Ms. Harkins informed the Committee at this point that originally the City had the agreement with the State and the Senate leased spaces from the State. They wanted to have full control of the parking so approached the City.

Council Member Spadafore asked if there were details in the agreement to secure the employee parking spaces, and Council Member Spitzley asked what the benefit would be for leasing spaces in a ramp the City no longer owns. Mr. McGrain confirmed there was details were in the agreement, and that with the recent ramp reconstructions and remodeling, there is flux in the parking ramps, but there is an option in the future to move all City employees back to the North Capital ramp. The parking fund is being reimbursed no matter where they park. Mr. Smiertka added that the parking agreement is flexible to allow the spaces to be reduced. Ms. Harkins added to the conversation that the parking agreement has been placed on fil, the Senate is offering \$18 million for the sale which is close to the appraised value, and a deposit of \$1 million, and outstanding parking fees paid regardless of the sale, and planned closing date of February 15, 2019.

Council President Wood asked for confirmation that the only bonds on the ramp are the \$13 million being paid off with the sale. Ms. Bennett clarified that those are the only bonds on Townsend; there are other bonds on the other ramps but they are not conditional on this. Any outstanding proceeds with this will got into escrow and will pay down the bonds as they are due or callable. The legal defeasance, once in escrow is no longer on debt service. The remainder will be determined by the Mayor on where to allocate those funds. Council Member Spadafore asked what the GF savings on the parking funds would be with those bond payments. Ms. Bennett clarified that there is no GF contribution just the parking fund. Council Member Spadafore then asked if there were any savings. Ms. Bennett acknowledged there would be no savings, but with the funds in escrow they will have interest earnings on those proceeds until the bonds are paid off. Council President Wood asked how many staff would be effected by the sale of the ramp. Mr. McGrain pointed out there are two staffers dedicated to all 4 ramps. He has reached out to the Senate already to have discussions on the potential of contracting with the City to continue to maintain it, but nothing has been agreed upon. He also confirmed that once they entered into discussions on the sale of the ramp they freed up any future plans they had intended for the ramp. Regarding recent changes, he was not able to provide a list at this time.

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION TO ACCEPT THE DEED TO THE TOWNSEND PARKING RAMP FROM THE LANSING BUILDNG AUTHORITY. MOTION CARRIED 8-0.

RESOLUTION – Set Public Hearing; ACT-33; Real Estate Sale/Purchase Agreement; Townsend Parking Ramp

Notification of Real Estate Purchase Agreement on File, City of Lansing and Michigan Senate, Townsend Parking Ramp located at 221 Townsend Street

MOTION BY COUNCIL MEMBER SPADAFORE TO APPROVE THE RESOLUTION TO SET THE PUBLIC HEARING FOR ACT -33 FOR JANUARY 28, 2019. MOTION CARRIED 8-0.

ADJOURN

The meeting was adjourned at 5:53 p.m.

Respectfully Submitted by,
Sherrie Boak, Recording Secretary
Lansing City Council

Approved by the Committee on February 4, 2019